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COCOA BEANS
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WORLD COCOA BEAN PRODUCTION

EXPECTED TO RISE IN 1958-59

The first (October) estimate of the total world production of cocoa beans for the 1958-59 season is 1,898 million pounds (847,000 long tons). This compares with the revised estimate for 1957-58 of 1,748 million pounds (780,000 long tons). Weather, which drastically reduced output in Africa during 1957-58, is reported to have been more favorable for the current crop.

World exports of cocoa beans during 1957 reached a record high of 1,721 million pounds, an increase of 78.6 million pounds over the 1956 total. During 1957 U. S. imports were down 9 percent from 1956.

Cocoa usage in the United States, as indicated by grindings of cocoa, and product imports, increased 3.3 percent and 7 percent over the 1956 level. Cocoa prices increased sharply during late 1957 and early 1958. Although current prices are substantially lower than the recent June peak, they remain at levels which are expected to result in use of less cocoa during the current year.

PRODUCTION

The world's production of cocoa beans during the 2 years preceding 1957-58 was at a high level. New or rehabilitated areas coming into production, use of higher yielding varieties, and greater use of chemical sprays to control insects and disease all contributed to the increase in production.

However, during 1957-58 an unexpected drop in cocoa production occurred in the main producing countries of Africa, mostly because of heavy rains from September till December which delayed harvesting, reduced the quantity of pods collected, and increased disease.

COCOA BEANS: Production in principal producing countries, averages
1935/36-1939/40, 1950/51-1954/55, annual 1956-57,
1957-58, 1958-59 ^{1/}

Continent and country	Average 1935/36- 1939/40 ^{2/}	Average 1950/51- 1954/55	1956-57	1957-58	1958-59
	pounds	pounds	pounds	pounds	pounds
North America:					
Costa Rica	14,356	14,289	3/ 19,700	3/ 19,000	3/ 20,000
Cuba	7,000	6,092	5,600	5,100	6,000
Dominican Republic	54,049	73,179	78,700	78,000	75,000
Grenada	8,536	6,684	4,000	4,000	5,000
Haiti	3,349	4,251	3,500	4,000	4,000
Jamaica	4,750	4,822	6,500	7,000	7,500
Mexico	2,500	22,455	31,000	35,000	35,000
Panama	10,418	3,129	3,500	4,500	4,500
Trinidad and Tobago	31,635	18,200	17,000	19,000	20,000
Other North America ^{4/}	4,059	4,413	4,000	4,000	4,000
Total North America	140,652	157,514	173,500	179,600	181,000
South America:					
Bolivia	5/	5/	6,500	6,500	6,500
Brazil	263,980	274,703	367,860	380,000	340,000
Colombia	25,000	31,790	30,000	31,000	31,000
Ecuador	42,373	59,245	64,500	66,000	68,000
Peru	5/	5/	3,400	3,500	3,500
Venezuela	36,934	38,008	39,600	40,000	40,000
Total South America	368,287	403,746	511,860	527,000	489,000
Africa:					
Belgian Congo	2,809	5,288	10,000	10,600	11,000
Fernando Po and Rio Muni	25,000	57,568	49,600	50,500	50,000
Cameroun	58,350	123,190	129,200	147,700	150,000
French Equatorial Africa	1,871	6/	6,500	7,000	7,000
French West Africa ^{7/}	109,937	128,055	170,000	99,200	130,000
Ghana ^{8/}	609,363	524,897	589,850	474,300	545,000
Liberia	9/	9/	1,800	2,000	2,000
Nigeria ^{10/}	216,318	234,821	310,000	180,000	258,000
Sao Thome and Principe	22,496	17,379	20,000	20,000	21,000
Sierra Leone	9/	9/	5,400	5,600	5,800
Togo	9/	9/	14,000	10,000	11,000
Other Africa ^{11/}	9/ 8,154	18,840	2,000	2,000	2,000
Total Africa	1,054,298	1,090,038	1,308,350	1,008,900	1,192,800
Asia & Oceania:					
Ceylon	7,931	5,965	6,500	7,000	7,000
Indonesia	3,310	1,928	3,000	3,000	3,000
New Guinea	-	-	4,760	7,500	8,000
New Hebrides	3,916	1,742	2,000	2,000	2,500
Philippines	-	-	3,500	4,000	4,500
Western Samoa	2,326	6,203	7,000	9,000	10,000
Total Asia & Oceania	17,483	15,838	26,760	32,500	35,000
World total	1,580,720	1,667,136	2,020,470	1,748,000	1,897,800

^{1/} Production for most countries is on an October 1 to September 30 year except for Brazil prior to 1956-57, which is on a May 1 to April 30 basis. ^{2/} Export data have been used for all countries with the exception of Mexico, Cuba and Colombia. ^{3/} Some cocoa beans produced in Costa Rica move across the border for marketing in Nicaragua. ^{4/} Includes Dominica, El Salvador, Guatemala, Guadeloupe, Martinique, Nicaragua, St. Lucia and St. Vincent. ^{5/} Not available. ^{6/} Included in Cameroun. ^{7/} Mostly Ivory Coast. ^{8/} Formerly Gold Coast and British Togoland. ^{9/} Prior to 1956-57 French Togoland, Liberia and Sierra Leone are included in other Africa. ^{10/} Includes British Cameroons. ^{11/} Includes Angola and Madagascar.

Foreign Agricultural Service. Official publications of foreign governments. Other foreign source material, reports of Agricultural Attaches and other U. S. representatives abroad, and other information.

During 1958-59 preliminary reports indicate that weather and growing conditions have been more favorable and the October (first) estimate of world production of cocoa beans is 1.9 billion pounds. This would be 9 percent above the revised 1957-58 estimate of 1.7 billion pounds, but 6 percent below the 2.0 billion produced during 1956-57.

North America

North American production of cocoa beans is estimated at 181.0 million pounds, almost the same as the 179.6 million now estimated for the 1957-58 crop.

At 181.0 million pounds North American production would be 28 percent above the prewar average of 140.6 million pounds and 14 percent higher than the 1950-51/1954-55 average of 157.5 million pounds. That greater quantities of cocoa beans are not produced in this area may have been caused by the diversion of attention to crops offering higher returns, particularly coffee.

The trees in Costa Rica are reported in good condition for the October-December harvest, and 1958-59 production is estimated at 20.0 million pounds, only slightly higher than the amount produced in each of the past 2 years.

Cocoa bean production in Cuba for the coming season is estimated at 6.0 million pounds, compared with the 1957-58 revised estimate of 5.1 million. The smaller output last year is attributed to below-normal yields caused by dry weather, and, to a lesser extent, the incomplete harvest due to insurrectionary activities in Oriente Province growing areas. As part of the program to increase efficiency in cocoa production, 9,600 clonal cocoa seeds were brought in from the Turrialba experiment station during 1957. About 90 percent of these seeds germinated and are growing successfully.

The Dominican Republic, the largest producer in North America, is expected to harvest about 75.0 million pounds during 1958-59. Production in this country during the 2 preceding years has been at record high levels.

Grenada is expected to produce about 5.0 million pounds of cocoa beans compared with the 4.0 million pounds now estimated to have been produced last year. Recovery of the cocoa trees from hurricane damage was impeded by drought during 1957. Rehabilitation is progressing satisfactorily and over 200 thousand high-yielding clonal plants were distributed last year. This is almost twice as many as during 1956; and it is planned to increase this total considerably during 1958.

Production in Jamaica during 1958-59 is expected to increase slightly. During October of 1957 the first of the Cocoa Industry Board's Fermenteries began operation, with an annual capacity of about 9.0 million pounds. In conjunction with the revised Cocoa Expansion Scheme, which aims at planting an additional 50,000 acres by 1965-66, a grant of approximately \$500,000 was approved by the United Kingdom to be used to buy planting material. This is 75 percent of the capital cost of planting material for 2 years.

Production of cocoa beans in Mexico will probably be about the same as last year. Improved cultural practices, including drainage and disease and insect control are reported to be increasing the yield per tree, and the rise in world prices should stimulate interest in cocoa. Too, numerous small plantings will probably enter production in the next few years, and an increase in total production is expected.

An increase of about 1 million pounds in production is expected during 1958-59 from Trinidad and Tobago.

Production in the other areas of North America during 1958-59 will probably remain constant.

South America

Production in South America during 1958-59 is estimated at 489.0 million pounds. This is 7 percent below 1957-58 but only slightly below 1956-57. Production in all countries of this area, except Brazil, is expected to remain at about the same level as the preceding year.

During 1958-59 Brazilian production may decline somewhat from the high levels of the past 2 years. Prospects for the main crop (October-April) are very good and this crop will probably be about the same as in 1957-58. The 1958 Temporaro crop was an unusually good one; it is unlikely that the 1959 Temporaro will be as large.

During May of 1957 a new element was introduced in the world cocoa economy by Brazil's announcement of a policy to permit exports only at, or above, specified prices. Specific prices to be paid to farmers in the interior, were announced, and a minimum price of 31.6 U. S. cents a pound was fixed for export to the United States and a somewhat higher price to other areas. This minimum price was raised later to 40.5 cents, then to 40.75 cents, and in June of 1958 the price was raised to 44.0 cents per pound. In order to support the internal market, the Bank of Brazil bought an undetermined amount of cocoa. The lower grade beans were crushed by the industry, but the resulting products remained the property of the Bank, which completely controlled exports of butter, cake, and paste.

In Ecuador, the second largest producer, in South America, production is expected to increase about 2.0 million pounds over last year's crop of 66.0 million pounds. Production during the past 2 years has been trending upward and this trend may be stimulated by the favorable prices now being received for cocoa.

Cocoa bean production has remained fairly constant in Colombia. The Government has been considering a cocoa planting program to make Colombia self-sufficient. This program was assigned to the Ministry of Agriculture in March of 1958, but as yet there are no reports indicating the steps taken in this direction.

Venezuela, Peru, and Bolivia will probably not produce more than in 1957-58.

Africa

African production of cocoa beans during 1958-59 is estimated at about 1.2 billion pounds, or 63 percent of the total world production. This is 184 million pounds greater than the drastically reduced crop of 1957-58. More favorable weather so far this growing season is expected to increase output from the major producing countries of this area.

Ghana, the world's largest producer of cocoa beans, is expected to produce about 545.0 million pounds during 1958-59 compared with 474.3 million now estimated for the 1957-58 crop. The crop is late and the peak harvest is not expected before early November. Rainfall during the first 6 months of 1958 is reported to have been adequate. July, August and the first part of September were dry, but the number of pods is reported greater than last year. Too, black pod infection is reported to be less.

During 1957 about 5.4 million Amazon seedlings were distributed, plus 1.2 million Amazon pods. The large number of Amazon pods distributed for planting and for establishing farmers own nurseries, is an indication of faith in this improved planting material.

Plans have been approved for beginning a mass spraying program on January 1, 1959, to control capsids in the main cocoa producing areas. About \$34.0 million has been made available for this activity over a 5-year period. The plan is to spray approximately 2.5 million acres twice each year. This acreage is not all in cocoa, but it must be covered to reach the main producing zones.

Nigerian production during 1958-59 is estimated at 258.0 million pounds. This is 78.0 million pounds greater than the reduced crop of last year, but 52.0 million pounds less than the record 1956-57 crop.

Rains so far this year have not been too heavy and losses from black pod are expected to be small. The value of chemical sprays is being realized by more and more farmers in Nigeria and greater production from existing acreage is expected.

Cocoa production in the Cameroun is expected to continue to increase during 1958-59 with production estimated at 150.0 million pounds. This is only 2 percent above the 1957-58 revised estimate of 147.7 million pounds, but 16 percent greater than 1956-57 production of 129.2 million pounds. Additional trees reaching bearing age and increased use of chemical sprays are the principal reasons for the expected increase.

During 1957-58 about 6,000 spraying machines, mostly of the knapsack type, were used. Technical assistance and loans for this work were provided by the Government. Reportedly over one-third of the total cocoa area was covered by spraying, and both yield and quality were improved.

The first estimate of production for French West Africa during 1958-59 is 130.0 million pounds, 31 percent greater than last year's short outturn of 99.2 million pounds. The current estimate is somewhat lower than expected because of dry weather. Reportedly, conditions were worse in this area than either Ghana and Nigeria. The damage to cocoa is not believed to have been great, but enough to reduce earlier estimates. The acreage of new plantings is gradually increasing and the Government, through the Stabilization Fund, is giving grants for the planting of cocoa. It has been estimated that about 25,000 acres of new cocoa is being planted per year. However, there is also a considerable acreage of old cocoa trees which are being abandoned or taken out of production each year.

Production in the Belgian Congo during 1958-59 will probably increase a little over last year. The estimate is 11.0 million pounds, compared with 10.6 million during 1957-58. Not much cocoa is grown in Ruanda-Urundi because of the high elevation. Government assistance is limited to technical assistance on European-owned plantations, and to encourage Africans to plant small plots of cocoa for supplemental income on the government-operated colonization projects.

Cocoa bean production in Angola is relatively unimportant as compared with other crops. During 1957-58 1.1 million pounds are estimated to have been produced.

Production during 1958-59 is expected to be about 1.2 million pounds. There is little interest in expanding acreage.

Small increases during 1958-59 are expected in Sao Thome and Principe, Sierra Leone, and Togo. The remaining areas in Africa are expected to remain at about the 1957-58 level.

Asia and Oceania

Total production of cocoa beans in this area during 1958-59 is estimated at 35.0 million pounds, compared with 32.5 million pounds in the preceding year and 26.8 million pounds during 1956-57. In relation to the world total, Asian production is quite small; however, the rate of increase has been rapid. While production has been increasing, and more interest is being shown in cocoa, no great advance from present levels are expected during the next few years.

Philippine production of cocoa beans has been trending upward, and during 1958-59 is estimated at 4.5 million pounds. Present government policy favors development of the cocoa industry. Philippine cocoa is of good quality, but its color is lighter than that usually preferred by the export trade.

Cocoa is the second most important plantation crop in New Guinea. Production has been increasing rapidly, and during 1958-59 it is estimated at 8.0 million pounds. Interest in cocoa has intensified in recent years, and the native population is being encouraged to plant this crop.

Western Samoa and New Hebrides are also expected to register a production increase this season.

1957 TRADE

Preliminary information indicates that 1957 world exports of cocoa beans reached 1,721 million pounds--5 percent more than 1956 exports of 1,642 million pounds. The excellent 1956-57 crop and increased consumer demand were the primary factors accounting for the increase.

North America

Exports from this area during 1957 increased 25.1 million pounds over 1956. Exports from the Dominican Republic, Costa Rica, Mexico, and Trinidad and Tobago accounted for 86 percent of the North American total.

Cuban exports of 3.8 million pounds in 1957 greatly exceeded 1956 exports, which were reduced because of a short 1955-56 crop. Eighty-four percent of Cuba's exports came to the United States and the rest went to the Netherlands.

Jamaican exports decreased in 1957 to 564,000 pounds, compared with 3.0 million pounds in 1956. However, exports of cocoa products increased substantially.

Imports of cocoa beans by the United States amounted to 509.8 million pounds in 1957. This was 9 percent less than the 559.3 million pounds imported during 1956.

Ghana supplied 21 percent (109.2 million pounds), Brazil 22 percent (110.2 million pounds), and Nigeria 14 percent (70.6 million pounds). Imports from Ghana during 1957 were almost identical with those of 1956, while imports from Brazil declined 44.5 million pounds (29 percent).

While total U. S. imports declined, U. S. cocoa bean use in 1957 increased 16.9 million pounds, 3.3 percent from 1956. This necessitated drawing upon stocks held by users, and stocks in the United States were lower at the end of 1957 than a year earlier. This situation is generally attributed to U. S. resistance to the higher prices asked for cocoa beans toward the end of 1957.

COCOA BEANS: World exports by principal producing countries,
averages 1935-39, 1950-54, annual 1955-57

Continent and country	1935-39	Average 1950-54	1955	1956	1957 ^{1/}
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
North America:					
Costa Rica	14,356	11,807	21,375	13,773	16,203
Cuba	93	828	2,692	29	3,836
Dominican Republic	54,039	51,250	49,869	38,607	52,603
Grenada	8,536	5,721	5,094	1,277	2,610
Haiti ^{2/}	3,350	4,448	3,240	2,866	3,500
Jamaica	4,750	2,319	4,440	3,087	564
Mexico	-	4,601	11,054	4,630	14,861
Panama	9,229	4,378	3,088	2,753	3,358
Trinidad and Tobago	31,634	17,792	16,464	21,832	15,946
Other North America ^{3/}	2,153	2,302	^{4/} 2,500	1,484	2,900
Total North America	128,140	105,446	119,816	90,338	115,481
South America:					
Brazil	263,980	227,524	268,793	277,439	241,784
Ecuador	42,373	55,976	54,222	66,138	60,005
Venezuela	36,934	34,268	33,267	39,479	32,429
Total South America	343,287	317,768	356,282	383,056	337,218
Africa:					
Belgian Congo	2,809	4,829	7,615	9,259	10,582
Cameroun	58,294	112,997	122,559	101,412	117,946
French Equatorial Africa	1,873	5,482	6,038	6,495	5,383
Fernando Po and Rio Muni	25,168	^{2/} 34,063	^{2/} 43,069	^{2/} 47,651	^{2/} 59,282
Ghana ^{5/}	609,363	519,550	461,160	525,069	582,902
Ivory Coast	110,187	128,691	165,808	161,694	146,599
Nigeria ^{6/}	216,318	241,562	198,045	261,930	303,079
Sao Thome and Principe	22,496	18,412	12,679	19,178	17,750
Other Africa ^{7/}	23,821	21,308	29,698	18,915	11,568
Total Africa	1,070,329	1,086,894	1,046,671	1,151,603	1,255,091
Asia and Oceania:					
Ceylon	7,930	5,958	5,584	6,321	5,905
Indonesia	3,291	907	877	1,195	1,036
New Hebrides	3,916	1,512	2,000	2,000	2,000
Western Samoa	2,326	6,130	6,812	7,477	6,875
Total Asia and Oceania	17,463	14,507	15,273	16,993	15,816
Grand total	1,559,219	1,524,615	1,538,042	1,641,990	1,720,606

^{1/} Preliminary. ^{2/} Year ending September 30 of year shown. ^{3/} Includes El Salvador, Guatemala, Nicaragua, St. Lucia, St. Vincent, French West Indies and Puerto Rico. ^{4/} Includes British Mandated Islands. ^{5/} Formerly Gold Coast. ^{6/} Includes British Cameroons. ^{7/} Includes Liberia, Madagascar, Sierra Leone, Angola and French Togoland.

Foreign Agricultural Service. Official publications of foreign governments, reports of Agricultural Attaches and other U. S. representatives abroad, and other information.

The resistance to high prices was even more evident during the first part of 1958. The volume of cocoa bean grind was down 9.8 percent for the first 9 months of the year compared with the same period during 1957. Arrivals of cocoa beans during the first 9 months of this year were running about 20 percent behind the comparable period last year and product imports appear to be lower than during 1957. Further evidence of a curtailment in cocoa bean use during the first quarter of 1958 was indicated by the reduction in size of some molded chocolate items.

Cocoa product imports into the United States amounted to 130 million pounds (bean equivalent) in 1957, up 9 million pounds from the 1956 level. Cocoa butter imports were double those of 1956 and accounted for the bulk of the increase in product imports.

South America

South American cocoa bean exports during 1957 were 334.2 million pounds, 13 percent less than 1956 exports. The largest part of this drop was due to a sharp decline in Brazil's exports, which may have been due in part to Brazil's price support program, described elsewhere.

Africa

African cocoa bean exports during 1957 reached a record level of 1.3 billion pounds. Ghana, Nigeria, the Ivory Coast and the Cameroun accounted for most of the beans entering trade. Currently, very little of the African cocoa crop is being processed into products before being exported, in contrast to the policy in some North and South American countries. The quantity of beans exported from Africa each year will therefore vary in relation to production.

Ghana's exports of 582.9 million pounds during 1957 were about 58 million pounds more than those of the preceding year. The 5 principal markets were West Germany, the United States, the United Kingdom, the Netherlands, and the U. S. S. R. Soviet purchases amounted to 81.1 million pounds.

Nigeria exported 16 percent more cocoa in 1957 than in 1956. The United Kingdom, the Netherlands, West Germany and Canada increased their purchases, while U. S. purchases were down 42 percent from 1956.

The Cameroun's 1957 cocoa bean exports were 16 percent larger than 1956 exports, but slightly below those of 1955. The Netherlands and France together took more than two-thirds of the total shipments. Exports to the United States were about 4.0 million pounds greater during 1957. Exports of cacao butter increased about 1 million pounds, and cocoa cake exports also gained slightly. France took most of the cocoa butter while the United States received most of the cocoa cake.

France and the United States were the Ivory Coast's main markets for cocoa during 1957, taking about 67 percent of total exports of 146.6 million pounds. Under a new government regulation, at least 75 percent of exporters' shipments must be in the superior class grade; no "courant" grade can be exported without certification that the 75 percent requirement has been met.

Most of the Belgian Congo cocoa crop is exported to Belgium. Out of a total of 10.6 million pounds in 1957, Belgium took 5.3 million pounds and the Netherlands 3.5 million pounds. On January 1, 1958, the export tax was raised from 1 percent to 6 percent ad valorem. This restored the tax to the level of March 1957, when it was reduced because of unfavorable market prices.

PRICES

Cocoa prices, relatively stable during most of 1956, began to weaken during the last quarter when estimates of the 1956-57 crop indicated an adequate cocoa bean supply during the next coming year. During the period September 1956 - March 1957, the New York spot price declined from 28 cents per pound to around 22 cents.

During May 1957, when Brazil announced its export support price program most of the cocoa from the African areas had been purchased. This left Brazil, for all practical purposes, as the only country in possession of sizeable quantities of cocoa beans, since the marketing of the Brazilian mid or Temporaro crop begins in May. Under these conditions the New York spot price of cocoa beans advanced to around 30 cents per pound in a short time.

During November of 1957 it became apparent that the 1957-58 crop would not reach the proportions of the excellent crop of the previous year, or even be as big as predicted in the early forecasts. This gave further impetus to a price rise and the New York spot price advanced above the 40 cent level. Prices continued upward during the remainder of 1957 and for the first 6 months of 1958, assisted by the reduced output from Africa and by periodic increases in Brazil's minimum price. The last upward adjustment of this minimum price was in June of this year when it was set at 44 cents per pound.

During June of 1958 the New York spot price reached a peak of 50.2 cents per pound. However, since that time prices have declined and during late October were in the range of 35 to 40 cents.



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